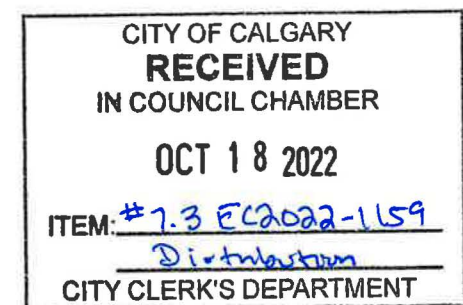


# Canada Infrastructure Bank Zero Emission Bus Financing

2022 October 18

ISC: Unrestricted

EC2022-1159 – Canada Infrastructure Bank Zero Emission Bus Financing





## Overview

- Success of the Zero Emission Bus program is contingent on securing funding and financing.
- A confidential due diligence process is underway with the Canada Infrastructure Bank (CIB).
- The borrowing bylaw is a requirement of signing definitive agreements with the CIB.
- Administration has proposed initiating the Bylaw Approval Process to align with due diligence.
- A comprehensive update to Executive Committee will occur following completion of due diligence.
- Partnering with the CIB is opportunity to secure financing for the Zero Emission Bus program.
- The CIB financing is scalable based on the needs of the program, up to a maximum amount and only repayable if utilized.



# Recommendations

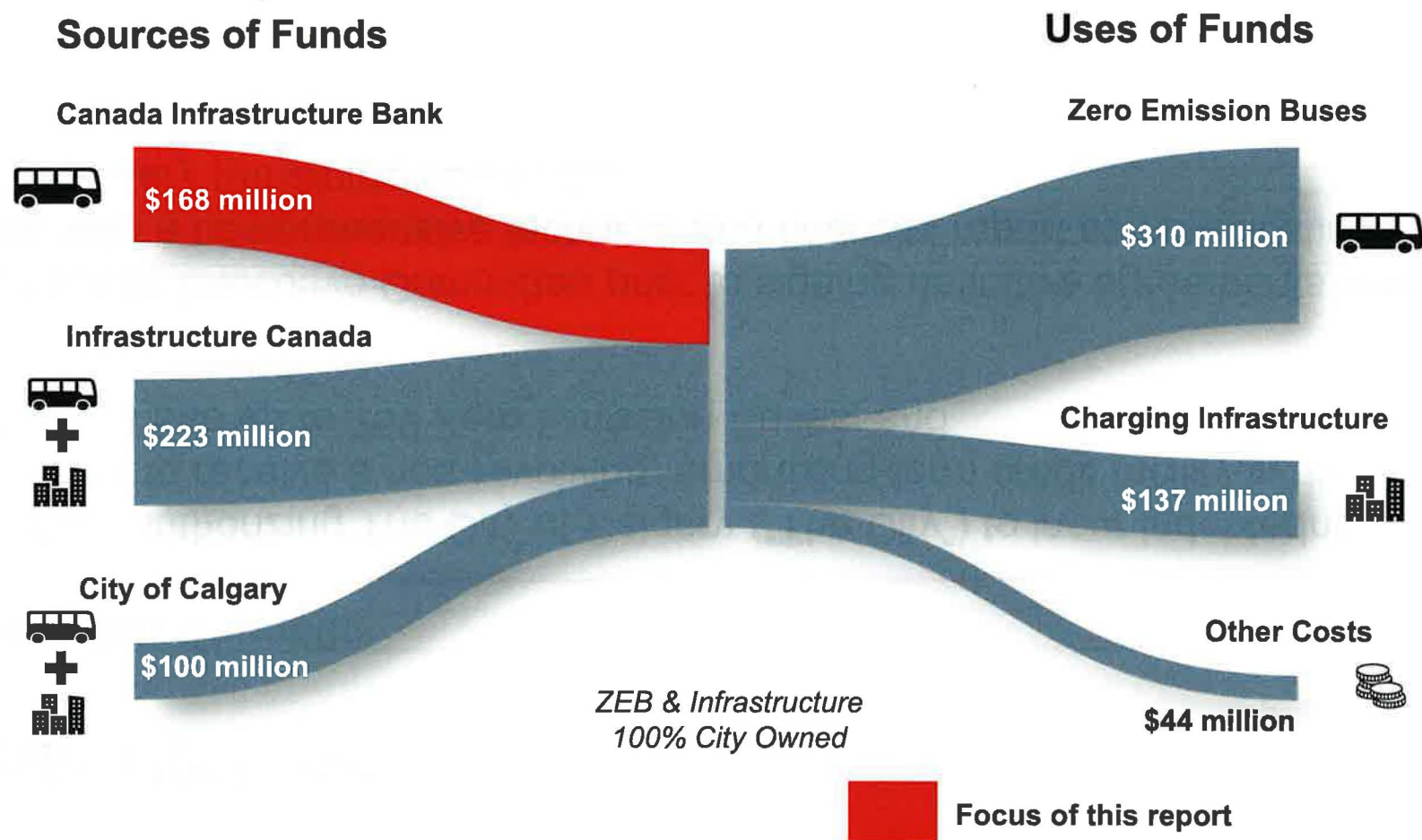
## **Executive Committee recommend that Council:**

1. Give first reading to Bylaw 8B2022, authorizing The City of Calgary ("The City") to incur indebtedness with the Canada Infrastructure Bank to receive a non-revolving, amortizing term credit facility in the amount of up to \$168 million to purchase up to 259 Zero Emission Buses; and
2. Direct Administration to report back to Executive Committee prior to signing definitive agreements with the Canada Infrastructure Bank, with a comprehensive technical and financial report communicating Program details and seeking necessary remaining approvals.

# Proposed Funding Strategy

- An opportunity exists to pursue both federal grant and loan funding for the costs of incorporating zero emission bus (ZEB) technologies into Calgary Transit's existing fleet and the supporting charging infrastructure.

*The Program will pursue funding with the potential of \$223 million in grants and \$168 million in credit facility.*



# Canada Infrastructure Bank Financing

- The move towards zero emissions means that operating costs for diesel fleet in the past will now cover the financing cost of transitioning to a sustainable fleet (i.e., interest and principal repayment will be covered through savings from not operating a diesel fleet).

## Cost Savings from Zero Emission Buses

*For illustrative purposes only*



## Financing Repayment to CIB

*For illustrative purposes only*





# Steps to Signing Definitive Agreements

Administration has proposed to initiate the Bylaw Approval Process, set out in the MGA, to align with the completion of due diligence and execute definitive agreements.

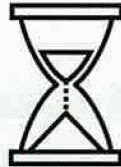




## Risks



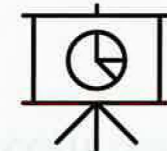
Loan value may  
change following due  
diligence



Program economics  
may be impacted by  
delaying financial  
close



Various prerequisite  
conditions need to be  
met prior to signing  
definitive agreements



The City is unable to  
secure other sources  
of funding



# Recommendations

## **Executive Committee recommend that Council:**

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